REMARKS

In the outstanding Office Action, the Examiner: (i) maintains the rejection of claims 1-9, 11-23, 25 and 26 under 35 U.S.C. §102(e) as being anticipated by U.S. Patent No. 6,341,271 to Salvo et al. (hereinafter "Salvo"); and (ii) maintains the rejection of claims 10 and 24 under 35 U.S.C. §103(a) as being unpatentable over Salvo in view of U.S. Patent No. 5,749,081 to Whiteis (hereinafter "Whiteis").

In this response, Applicants: (i) cancel without prejudice claims 5, 6, 11, 12, 14, 19 and 20; (ii) amend claims 1, 13, 15 and 25; and (iii) respectfully traverse the various rejections of the pending claims for at least the following reasons.

Regarding the §102(e) rejection, it is well established law that "[a] claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference." See, e.g., *Verdegaal Bros. v. Union Oil Co. of California,* 814 F.2d 628, 631, 2 U.S.P.Q.2d 1051, 1053 (Fed. Cir. 1987). See also, M.P.E.P. §2131.

Applicants assert that Salvo fails to teach or suggest each and every element respectively recited in amended independent claims 1, 15 and 25 and, thus, the §102(e) rejection based on Salvo clearly fails to meet the above legal requirements for anticipation. Support for this assertion is as follows.

Amended independent claim 1 now recites a computer-based method of automatically controlling an inventory of items, comprising the steps of: at least one broker device automatically collecting information relating to a status associated with at least one inventory item from one or more sources; the at least one broker device automatically accessing at least one electronic marketplace, wherein the electronic marketplace comprises an electronic trading network site, the broker device accessing the electronic marketplace in order to: (1) obtain information to determine one or more optimal parameters, based on the collected status information, to be used for replenishing the at least one inventory item via the at least one electronic marketplace; and (2) order a quantity of the inventory item via the electronic marketplace from a provider of the inventory item; and the at least one broker device one of aggregating and deaggregating multiple orders for the inventory item associated with the one or more sources so as to minimize an overall purchasing cost attributable to the multiple orders. Independent claims 15 and 25 recite similar limitations.

As pointed out in Applicants previous response, the Summary of the Invention section of the present specification (page 3) states:

> [T]he present invention provides techniques for automatically replenishing inventory which exploit the use of electronic marketplaces. As is known with respect to the World Wide Web (or the Internet), "electronic marketplaces" (also referred to as "e-marketplaces") are web sites comprising one or more server systems which allow visitors, via their own computers, to openly offer items for sale, place bids on items, trade items, and permit the use of various pricing mechanisms to discover the true "value" of a certain item based on the equilibrium of supply and demand. Examples of such electronic marketplaces or trading networks that have emerged and are commercially available include WebSphere Commerce Suite Marketplace Edition (trademark of IBM Corporation), Ariba Buyer and Ariba Marketplace (trademarks of Ariba, Inc.), Market Set (trademark of SAPMarkets, Inc.), and ConnectTrade (trademark of Metiom, Inc.). As will be illustratively explained below, the present invention utilizes such electronic marketplaces in order to provide end consumers with automated inventory control.

Thus, as the claimed invention makes clear, not only is the electronic marketplace automatically accessed in order to determine one or more optimal parameters, based on the collected status information, to be used for replenishing the at least one inventory item, but the electronic marketplace is the conduit through which the inventory item is replenished.

While Applicants believe that the original claim clearly made this point, Applicants have nonetheless amended the independent claims to further clarify the point that the electronic marketplace is an electronic trading network site, and the broker device accesses this site in order to perform two tasks: (1) obtain information to determine one or more optimal parameters, based on the collected status information, to be used for replenishing the at least one inventory item via the at least one electronic marketplace; and (2) order a quantity of the inventory item via the electronic marketplace from a provider of the inventory item. Further, Applicants have also amended the independent claims to indicate that the at least one broker device aggregates and/or deaggregates multiple orders for the inventory item associated with the one or more sources so as to minimize an overall purchasing cost attributable to the multiple orders. Support for these amendments may be found throughout the present specification. By way of example only, see page 9, lines 16-27, and page 15, lines 23-26.

While Salvo (at column 6) refers to "inventory price sources," and gives examples such as economic indicators, economic models, commodity pricing indexes, spot market pricing, and Dow Jones™ information, it is not through these items, nor the web sites from which such information comes, that Salvo is replenishing the inventory items. That is, Salvo does not disclose the concept of automated inventory replenishment via electronic marketplaces, as in the claimed invention.

The final Office Action (at page 9) seems to suggest that the "inventory price sources" may also be the different providers (vendors) from which inventory items are obtained. Even if this were the case, Salvo still does not meet the limitations of the claim. That is, claim 1 clearly defines the broker device, the electronic trading network site (electronic marketplace) and the provider of the inventory item. As recited, the broker device not only obtains information from the electronic trading network site to determine one or more optimal parameters, based on the collected status information, to be used for replenishing the at least one inventory item via the site, the broker also orders a quantity of the inventory item via the electronic marketplace from a provider of the inventory item. This is clearly not what Salvo discloses. That is, control unit 114 in Salvo does not use an electronic trading network site to obtain information to determine the optimal parameters and order the inventory item.

Furthermore, the final Office Action seems to suggest that Salvo at column 6, lines 47-62, discloses the aggregation/deaggregation feature. However, this clearly is not the case. Claim 1 now recites that the at least one broker device aggregates and/or deaggregates multiple orders for the inventory item associated with the one or more sources so as to minimize an overall purchasing cost attributable to the multiple orders. While the control unit 114 in Salvo performs various functions based on the information it obtains, it does not aggregate and/or deaggregate multiple orders for the inventory item associated with one or more sources so as to minimize an overall purchasing cost attributable to the multiple orders. Column 6, lines 47-62, of Salvo states no such feature.

For at least the above reasons, Applicants assert that independent claims 1, 15 and 25 are patentable over Salvo. Further, it is asserted that the claims which depend from independent claims 1, 15 and 25 are patentable over Salvo not only due to their respective dependence on independent claims 1, 15 and 25, but also because such claims recite patentable subject matter in their own right.

Regarding the §103(a) rejection of claims 10 and 24, Applicants reassert that the combination of Salvo and Whiteis fails to teach or suggest all of the limitations of the claimed invention. That is, since Whiteis fails to remedy the deficiencies of Salvo, as explained above, and

since such claims are respectively dependent on independent claims 1 and 15, it is asserted that such claims are patentable over the cited combination. Further, it is asserted that such claims recite patentable subject matter in their own right.

Still further, Applicants reassert that there is a clear lack of motivation to combine Salvo and Whiteis. Other than a very general and conclusory statement in the Office Action, there is nothing in the two references that reasonably suggests why one would actually combine the teachings of these two references.

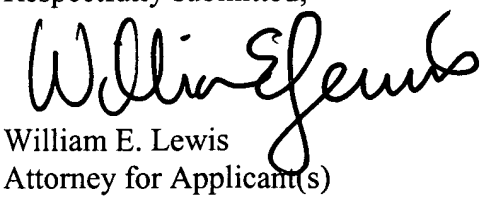
The Federal Circuit has stated that when patentability turns on the question of obviousness, the obviousness determination "must be based on objective evidence of record" and that "this precedent has been reinforced in myriad decisions, and cannot be dispensed with." In re Lee, 277 F.3d 1338, 1343 (Fed. Cir. 2002). Moreover, the Federal Circuit has stated that "conclusory statements" by an examiner fail to adequately address the factual question of motivation, which is material to patentability and cannot be resolved "on subjective belief and unknown authority." Id. at 1343-1344.

In the final Office Action at page 8, the Examiner provides the following statement to prove motivation to combine Salvo and Whiteis, with emphasis supplied: "[i]t would be obvious . . . to modify Salvo's method to include the step of automatically generating a recommendation . . . as taught by Whiteis . . . [since, the combination] would allow for a system that does not require any manual setup of the relationships between the times that are available for recommendations (col. 2, lines 17-20)."

Applicants maintain that this statement is based on the type of "subjective belief and unknown authority" that the Federal Circuit has indicated provides insufficient support for an obviousness rejection. More specifically, the Examiner fails to identify any objective evidence of record which supports the proposed combination. It is completely unclear how the citation of column 2, lines 17-20, of Whiteis provides such objective evidence.

In view of the above, Applicants believe that the pending claims are in condition for allowance, and respectfully request withdrawal of all rejections.

Respectfully submitted,



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